

Message Text

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ACTION NEA-09

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EB-07 AID-05 SAM-01 SAB-01 TRSE-00 IO-10 /084 W

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P R 161600Z APR 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC PRIORITY 3373

INFO AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY AMMAN

AMEMBASSY DAMASCUS

AMEMBASSY TRIPOLI

AMEMBASSY KHARTOUM

C O N F I D E N T I A L CAIRO 3836

E.O. 11652: NA

TAGS: PINT, EG

SUBJECT: PRELIMINARY COMMENTS ON NEW EGYPTIAN CABINET

REF: A. CAIRO 3785 B. CAIRO 3787

SUMMARY: ON APRIL 12 SADAT ANNOUNCED HIS DETERMINATION TO ALLEVIATE ECONOMIC DISTRESS AND IMPLEMENT OPEN DOOR. HE MADE THIS MAIN TASKS OF NEW CABINET, WHOSE MAJOR WEAKNESS IS APPARENT LACK OF COORDINATING MECHANISM WHICH WOULD PERMIT DEALING WITH BROAD RANGE OF ECONOMIC PROBLEMS THAT BROUGHT DOWN HEGAZI. CABINET ITSELF HAS TECHNOCRATIC CAST, BUT MEMBERS WILL FACE SAME DIFFICULTIES AS THEIR PREDECESSORS, UNDER SAME CONDITIONS AS FRAGMENTED AND CONFLICTING OPERATIONS THAT HAVE BEEN MAJOR OBSTACLE TO DEVELOPMENT EFFORT. DESIGNATION OF MININT AS PRIMIN IS DECLARATION THAT ANTI-REGIME ACTIVITIES WILL NOT BE TOLERATED. END SUMMARY.

1. DECISION TO INITIATE CABINET RESHUFFLE FORECAST BEFORE

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SECRETARY'S RECENT NEGOTIATING MISSION. EXTENT OF PERSONALITY

CHANGES WAS NOT CLEAR, BUT PRIMIN HEGAZI WAS APPARENTLY TO BE PRIME TARGET OF RESHUFFLE. SELECTION OF PREVIOUS DEP PRIMIN/MININT SALIM CAME AS BIT OF SURPRISE AND IT WAS ACCOMPANIED BY OTHER SIGNIFICANT NEW APPOINTMENTS, PARTICULARLY ON ECONOMIC SIDE. COMPOSITION OF NEW CABINET INDICATES SADAT'S CONCERN WITH TWO CRUCIAL ISSUES: LAW AND ORDER AND ECONOMIC DEVELOPMENT, BUT FAILURE TO APPOINT A DEP PRIMIN TO DIRECT LATTER AREA COULD BE DISAPPOINTMENT.

2. LAW AND ORDER. NEW PRIMIN MAMDUH SALIM WAS PERSONALLY IDENTIFIED, AS DEP PRIMIN AND MININT, WITH DIRECTING LARGE SCALE ROUNDUP OF THOSE ACCUSED OF INCITING JAN 1 CAIRO RIOTS, MARCH DISTURBANCES IN MAHALLA, AND THE SEVERAL "DISCOVERIES" OF RIGHTIST AND LEFTIST CADRES LAST YEAR. ALTHOUGH AN URBANE, LOW KEY AND PLEASANT MAN, HE CANNOT ESCAPE LABEL OF PROFESSIONAL POLICEMAN. CONSEQUENTLY, HIS APPOINTMENT IS A DECLARATION OF NO-NONSENSE LAW AND ORDER POLICY (WHICH WILL ANNOY AND DISCOMFIT EXTREMISTS, ESPECIALLY ON UNIVERSITY CAMPUSES) AND A DIRECT WARNING TO OUTSIDE PROVOCATEURS, QADHAafi IN PARTICULAR. HIS POPULARITY WITH POPULACE WILL BE LOW, TOO, SINCE HE IS AUTOMATICALLY IDENTIFIED WITH HEAVY-HANDED POLICE TACTICS THAT HAVE BEEN MORE IN EVIDENCE RECENTLY.

3. ECONOMIC REFORM. OBSERVERS ARE CONCERNED THAT, ALTHOUGH PRESIDENT HAS CHOSEN WELL IN TERMS OF INDIVIDUALS TO OCCUPY POSITIONS, HE HAS FAILED TO TAKE NECESSARY STEPS TO PROVIDE MEASURE OF CONTROL FOR MINISTRIES CONCERNED WITH ECONOMIC ASPECTS OF DEVELOPMENT EFFORT. PROLIFERATION OF MINISTERS HAS ALWAYS BEEN A PROBLEM FOR ECONOMY, RESULTING IN INABILITY TO FIX NATIONAL PRIORITIES, ESTABLISH CLEAR-CUT RESPONSIBILITIES, OR SETTLE INTERAGENCY DISPUTES AT ANY LEVEL SHORT OF PRIMIN (AND NOT ALWAYS THERE UNDER HEGAZI). THINGS MAY BE DIFFERENT UNDER SALIM, SO EXTENT HE IS WILLING AND ABLE TO DEVOTE TIME TO SUCH MATTERS, BUT ABSENCE OF SOMEONE AT DEP PRIMIN LEVEL WITH COMPETENCE OVER MAJOR SEGMENT OF ECONOMY WILL PROBABLY CONTINUE TO HAMPER PROGRESS. SADAT'S FAILURE TO FIND PROPER PERSON FOR FOURTH DEPUTY PM POSITION, WHICH WAS RUMORED TO BE INTENDED FOR THIS FUNCTION, PROBABLY REFLECTS APPRECIATION OF DIFFICULTIES TO BE ENCOUNTERED IN THE POST, OR, PERHAPS HIS UNWILLINGNESS TO GIVE JOB A BROAD AND MEANINGFUL MANDATE. MORE-CONFIDENTIAL

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OVER, ROLE OF NEWLY TITLED MIN OF ECON AND ECONCOOP IS DIFFICULT TO ASSESS IN TERMS OF PRESENT CABINET SITUATION.

4. FACT THAT SOME FORMER MINISTRIES HAVE BEEN SPLIT INTO SPEARATE SEGMENTS (TRANSPORT AND COMMUNICATIONS, TOURISM AND CIVIL AVIATION, POWER AND ATOMIC ENERGY) WILL NOT HELP ALLEVIATE DIFFICULTIES. COMPETITION FOR RESOURCES IS MERELY INTENSIFIED AMONG WEAKER MINISTRIES. (MINISTRIES OF WAR, DEFENSE PRODUCTION,

AND HOUSING AND RECONSTRUCTION RANK IN SEPARATE CATEGORY, FIRST OF TWO FOR OBVIOUS REASONS, AND THIRD ONE DUE TO PERSONALITY OF MINISTER OSMAN OSMAN, RESPONSIBILITIES HE HAS BEEN GIVEN, AND SPECIAL OPERATIONAL AUTHORITY HE NEGOTIATED WITH SADAT IN ORDER TO CARRY THEM OUT.)

5. HAVING FOCUSED CONSIDERABLE PUBLIC ATTENTION ON SHORTCOMINGS OF PRIOR ADMINISTRATION, PRESIDENT WAS WIDELY EXPECTED TO TAKE SIGNIFICANT STEPS IN EFFORT TO DEAL WITH THEM. PROBLEMS OF WHICH HE SPOKE ARE FOR MOST PART EVIDENT TO EVERYONE IN EGYPT, AND, EXCEPT FOR FOREIGNERS AND THE VERY RICH, AFFECT THEM ALL. WAVE OF ANTICIPATION FOR IMPROVEMENTS HAS THUS BEEN CREATED, WHICH GOE WILL FIND IT VERY DIFFICULT TO SATISFY. TIME REQUIRED MERELY FOR NEW MEN TO LEARN PROBLEMS WITH WHICH THEY ARE EPECTED TO DEAL, LET ALONE COME UP WITH MEASURES FOR THIER SOLUTION, WILL OF NECESSITY LEAD TO DELAYS IN EVEN THE FEW PROGRAMS PRESENTLY IN EFFECT. (PRESS, FOR EXAMPLE, REPORTS THAT ALL DRAFT LAWS AND REPUBLICAN DECREES PREPARED UNDER OLD CABINET AND FORWARDED TO LEGISLATIVE SECTION OF STATE COUNCIL WILL BE RETURNED TO ORIGINATING MINISTRIES FOR RECONSIDERATION.) RESULT, IN SHORT-RUN AT LEAST, WILL PROBABLY BE DISAPPOINTMENT OVER DEARTH OF MEASURABLE IMPROVEMENTS.

6. RELATED TO ECONOMIC REFORM IS ISSUE OF STREAMLINING FLABBY AND DIFFUSE BUREAUCRACY. SADAT HAS ALREADY HINTED BROADLY (IN SIYASSA INTERVIEW APRIL 11) THAT MANY SWEEPING CHANGES WILL BE MADE SOON. (ROMOR HAS IT THAT UP TO 300 OLD-LINE OFFICIALS AT TOP AND MEDIUM LEVELS OF GOVERNMENT ORGANIZATIONS AND INSTITUTIONS WILL BE RETIRED.) APPOINTMENT OF THE ENERGETIC AND COMPETENT HILMI IBRAHIM ABD AL-RAHMAN AS MINPLANNING AND ADMIN DEVELOPMENT MAY HAVE GENUINE SIGNIFICANCE IN THIS REGARD.

7. THE THREE DEPUTY PRIMIN APPOINTMENTS WERE EXPECTED. FAHMY'S
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PROMOTION IS PUBLIC DECLARATION OF SADAT'S CONFIDENCE IN HIM. SADAT IS DETERMINED MAINTAIN CORRECT AND USEFUL RELATIONS WITH USG, AND FAHMY, WE BELIEVE, IS SADAT'S CHOICE AS BEST MAN AVAILABLE TO DEAL WITH AMERICANS. GAMASI'S APPOINTMENT HAS BEEN EXPECTED FOR WEEKS. HE STEPS INTO HIS PREDECESSOR'S SHOES AS DEP PRIMIN, GIVING HIM POSITION CONSONANT WITH HIS RESPONSIBILIIE
S

AS MINWAR OF A COUNTRY IN FORMAL STATE OF WAR. SELECTION OF HAFIZ GHANIM, FORMER ARAB SOCIALIST UNION SECGEN, TO BE DEP PRIMIN FOR SERVICES (AND ALSO MIN HIGHER EDUC) WAS UNEXPECTED, BUT MAJOR NEW EFFORT TO IMPROVE SERVICES HAD BEE FORECAST IN SADAT'S RECENT STATEMENTS.

8. DECREE APPOINTING HUSNI MUBARAK AS VICE PRES WAS COMPLETE SURPRISE AND STILL SOMEWHAT OF A PUZZLE. WHATEVER THE REAL

PURPOSE MAY BE (VICE PRES HAD CHIEFLY PROTOCOL FUNCTIONS IN PAST),
HIS PROMOTION WILL BE POPULARLY REGARDED AS SLAP AT QADHAAFI.
FOR EGYPTIANS, MUBARAK'S NAME CONJURES UP MEMORY OF LIBYAN
CIVILIAN AIRCRAFT ROCKETED BY ISRAELIS IN FEB 1973. QADHAAFI
AT THAT TIME DEMANDED THAT SADAT FIRE MUBARAK FOR "NEGLIGENCE".
SADAT'S REFUSAL COUNTENANCE THIS HIGH-HANDED DEMAND FROM TRIPOLI
WAS POPULAR DECISION.
MAESTRONE

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